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**STAFF REPORT RECOMMENDS CHANGES
IN U.S. CURRENCY AND COIN SYSTEM**

The Treasury Department today released "An Assessment of U.S. Currency and Coin Systems with Long-Range Planning Recommendations."

The recommendations have not been adopted or endorsed by the Treasury, but are being sent to Congress and made public as part of the review process before final decisions are made.

The report, prepared by a task force including representatives of the Treasury, the Mint, the Bureau of Engraving and Printing and the Federal Reserve, reviews such factors as the impact of inflation on the demand for cash, the durability of coins and currency, counterfeiting, the use of cash in crime, and anticipated changes in the use of cash by individuals and business.

Objectives of the assessment were to determine the adequacy of the country's existing cash system and to prepare for future changes and needs.

In its report, the task force recommends:

-- making one-cent coins of a cheaper aluminum alloy when and if copper costs more than \$1.15 a pound;

-- eliminating the half-dollar coin, which, because of its size and weight, has not been in wide circulation;

-- continued efforts to achieve widespread circulation of the new Susan B. Anthony dollar;

-- development of a plan to systematically replace \$1 bills with the new \$1 coins and, later, by \$2 bills;

-- printing the backs of \$1 bills by offset lithography instead of intaglio, as at present, to save money. Printing the backs by offset will actually sharpen the intaglio face of the bills, providing a continuing deterrent to counterfeiting;

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-- that a study be made of the use patterns of \$100 and \$50 bills to help in law-enforcement efforts involving drug trade, tax evasion and other illicit purposes;

-- intensified research into creation of a plastic-like material on which to print currency notes to dramatically increase their durability and use in vending machines, and exploration of new measures for protection against counterfeiting.

The report finds that the currency and coinage systems of the United States "remain effectively stable and sound." It says that the proposed changes are for economy and to aid law enforcement rather than to correct any serious deficiencies in the systems.

The report has been reviewed by a number of major banks and other interested organizations whose comments were solicited by the Treasury.

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